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Former CEO of Publicly Traded Company Pleads Guilty to Obstruction of Justice Third Attorney to Plead Guilty In Connection With Ongoing Securities Fraud Investigation

WASHINGTON - Franklin C. Fisher, Jr., 70, an attorney licensed to practice law in Texas, pled guilty today to a charge of obstruction of justice stemming from his conduct during an investigation into allegations of securities fraud, announced Robert D. Okun, the Acting U.S. Attorney in this case, and James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office.

Fisher, of Houston, pleaded guilty to a one-count information before Chief Judge Royce C. Lamberth in the U.S. District Court for the District of Columbia. He faces a statutory maximum term of 10 years in prison on the charge. His sentencing has not yet been scheduled. As part of the plea agreement, Fisher agreed to forfeit \$390,000.

In connection with the guilty plea and as set forth in the executed Statement of Offense, Fisher acknowledged that from July 2004 through June 2007, he provided consulting services to Aztec Oil & Gas, Inc. Aztec Oil & Gas was publicly traded under the ticker symbol "AZGS" on the Over-the-Counter Bulletin Board. From June 15, 2007 through February 1, 2010, Fisher was Aztec's Chief Executive Officer and Chairman.

Fisher admitted that, from in or about September 2004 through in or about May 2005, he and Shelly S. Singhal, a securities broker from Newport Beach, California and an investment advisor to Aztec Oil & Gas, helped to pay for newsletters recommending the purchase of Aztec Oil & Gas shares. The newsletters contained false and misleading disclaimers, purportedly paid for by "a non-affiliated third party," Bedford Proprietary Trading, LLC. Bedford Proprietary Trading was a conduit used to receive cash payments directly and indirectly from Singhal, Fisher and others to pay for the newsletters recommending the purchase of Aztec Oil & Gas shares. Fisher and Singhal, after the newsletters were disseminated to the investing public, each caused Aztec Oil & Gas shares to be sold to the investing public.

In October 2008, Fisher was interviewed at the United States Attorney's Office for the District of Columbia concerning the involvement by Singhal and Fisher in the Aztec Oil & Gas newsletters. Prior to the interview, Fisher knew from his discussions with Singhal that the Aztec Oil & Gas newsletters for which Fisher had partially paid had not complied with applicable securities regulations. Fisher knew from those discussions, for example, that Singhal had included references to conduit companies, such as Bedford Proprietary Trading, as the source of the payment for the Aztec Oil & Gas newsletters to hide the fact that Singhal and Singhal's firm, SBI USA, were sources of funding for the Aztec Oil & Gas newsletters.

During the interview with FBI agents and prosecutors, Fisher falsely stated, among other things, that Fisher did not recall the connection between Singhal and SBI USA to Bedford Proprietary Trading and did not know the details of the promotional campaign recommending the purchase of Aztec Oil & Gas shares.

In April 2010, Singhal was indicted on three counts for his alleged involvement in a conspiracy and scheme to defraud the investing public through the use of stock manipulation schemes, including a scheme referred to as "scalping." One of the scalping schemes alleged in the indictment involved the promotional campaign related to the Aztec Oil & Gas shares. The indictment charges that Singhal and others fraudulently obtained at least \$10 million in proceeds through the scheme to defraud by artificially increasing the demand for shares, through these newsletters, of three companies that they controlled, including Aztec Oil & Gas.

Fisher is the third attorney to plead guilty in connection with this ongoing securities fraud investigation. On November 3, 2009, Robert S. Brown, an attorney from New Rochelle, New York, pleaded guilty to one count of obstruction of justice concerning, among other things, his business dealings with Singhal. Brown's sentencing has not been scheduled. On January 8, 2010, Melissa A. Mahler, an attorney from Rochester, New York, pleaded guilty to one count of making a false statement. Mahler's sentencing has not been scheduled. As part of their plea agreements, Fisher, Brown and Mahler have agreed to cooperate in the investigation.

An indictment is merely an allegation that a defendant has committed a violation of criminal law and is not evidence of guilt. Every defendant is presumed innocent until, and unless, proven guilty in a court of law.

In announcing Fisher's guilty plea, Acting U.S. Attorney Okun and Assistant Director McJunkin praised the investigative efforts of Special Agents of the FBI's Washington Field Office. They also recognized the efforts of U.S. Attorney's Office Paralegal Specialists Tasha Harris, Sarah Reis and Mary Treanor, Forensic Accountant Crystal Boodoo, Legal Assistants Jared Forney and Krishawn Graham, and Special Assistant U.S. Attorney Keshia Ellis. They also commended the efforts of Assistant U.S. Attorneys Vasu B. Muthyala and Michael K. Atkinson, who are prosecuting the case.